

**UNINSURED AND UNDERINSURED MOTORIST
COVERAGE AMENDMENTS**

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Mark B. Madsen

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies the Insurance Code by amending uninsured and underinsured motorist coverage provisions.

Highlighted Provisions:

This bill:

- ▶ provides that an underinsured motorist coverage carrier shall pay certain awards, fees, and costs if:
 - the uninsured or underinsured motorist coverage carrier does not offer the insured or other covered person the limits of the uninsured or underinsured motorist coverage policy after the claimant has made a demand for the policy limits or the uninsured or underinsured motorist coverage carrier's offer to pay the insured or other covered person's policy limits after the claimant has made a demand for the policy limits is not made at least 60 days prior to an award being rendered by an arbitration panel or other judicial proceeding; and
 - the award rendered by an arbitration panel or other judicial proceeding awards the insured or other covered person an amount equal to or greater than the limits of the uninsured or underinsured motorist coverage policy; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:



None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

31A-22-305.7, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **31A-22-305.7** is enacted to read:

31A-22-305.7. Uninsured and underinsured payment requirements.

(1) An underinsured motorist coverage carrier shall pay the award, fees, and costs described in Subsection (2) if:

(a) (i) the uninsured or underinsured motorist coverage carrier does not offer to pay the insured or other covered person the limits of the uninsured or underinsured motorist coverage policy after the claimant has made a demand for the policy limits; or

(ii) the uninsured or underinsured motorist coverage carrier's offer to pay the insured or other covered person's policy limits after the claimant has made a demand for the policy limits is not made at least 60 days prior to an award being rendered by an arbitration panel or other judicial proceeding; and

(b) an award rendered by an arbitration panel or other judicial proceeding awards the insured or other covered person an amount equal to or greater than the limits of the uninsured or underinsured motorist coverage policy.

(2) An underinsured motorist coverage carrier that is required to pay the award, fees, and costs under Subsection (1) shall pay:

(a) the entire award amount rendered by an arbitration panel or other judicial proceeding, including any amount in excess of the uninsured or underinsured motorist coverage policy limits;

(b) attorney fees customarily charged in the locality for similar legal services, in addition to the award amount described in Subsection (2)(a);

(c) any costs set forth in Rule 54(d), Utah Rules of Civil Procedure; and

(d) the costs of expert witnesses and depositions.

Legislative Review Note
as of 2-24-09 5:09 PM

Office of Legislative Research and General Counsel

S.B. 236 - Uninsured and Underinsured Motorist Coverage Amendments

Fiscal Note

2009 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for local governments. Individuals and businesses may be impacted due to this change in the proposed statute.
